

AGREEMENT

Between

**DAN RIVER INC.
DANVILLE, VIRGINIA**

and

**LOCAL 400
UNITED FOOD & COMMERCIAL
WORKERS UNION**

June 12, 2008 5

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THIS AGREEMENT, dated as of June 12, 2000, by and between DAN RIVER INC., hereinafter referred to as the "Employer," and LOCAL 400, UNITED FOOD & COMMERCIAL WORKERS UNION, hereinafter referred to as the "Union."

Section 1

THE BARGAINING UNIT

This agreement shall apply to all production and maintenance employees of Dan River Inc., employed at its manufacturing operations in Danville, Virginia, but excluding all employees on the payroll at the Company cloth store, all those employees in the job classifications of technicians and assistants in the Research Department and Laboratories, guards and watchmen, and all clerical employees, executives and supervisors as defined in the National Labor Relations Act.

Section 2

MANAGEMENT RIGHTS

Subject to the provisions of this Agreement and the rights of the Union and employees herein set forth, it is recognized and agreed that the management of Dan River and the direction of the working forces is vested in the Employer; among the rights and responsibilities which shall continue to be vested in the Employer, but not intended as a wholly inclusive list of them, shall be: the right to increase or decrease operations, to remove or install machinery, and to increase or change production equipment; to introduce new and improved productive methods and facilities; to contract out and/or subcontract out work; to regulate the quality and quantity of production; to relieve employees from duty because of lack of work; to employ, lay off, re-employ, and transfer employees; to demote or discharge employees for cause as the efficient operation of the plant shall, in the opinion of the Management require, provided that none of such rights shall be exercised in violation of any provision of this Contract.

Section 3

UNION RECOGNITION

- A. The Employer recognizes the Union as sole and exclusive bargaining agency for all employees referred to in Section I hereof during the life of this Agreement for the purpose of collective bargaining on wages, rates of pay, hours of employment, or other conditions of employment.
- B.1. No employee shall be selected as shop steward or chief steward who has not completed the probationary period for his/her current employment.
- B.2. Shop stewards have their regular work to perform on behalf of the Employer, and therefore shall keep to a practical minimum loss of production resulting from the investigation and discussion of complaints and grievances during working hours. With this understanding, the Employer agrees that stewards shall not lose pay for time lost in investigating and discussing complaints or grievances at Steps 1 and 2 of the Grievance Procedure. The Employer will not pay for time lost by stewards at Steps 3 and 4 of the Grievance Procedure.
- B.3. Stewards shall be permitted reasonable time to investigate and discuss complaints and grievances during working hours at Steps 1 and 2 of the Grievance Procedure. Before leaving the job the steward will notify the supervisor stating why it is necessary to leave the job and the approximate period he will be away from his job. The steward shall obtain permission from his supervisor in advance of leaving his job. Such permission shall not be unreasonably delayed, but if delayed the approximate time when it will be granted will be stated to the steward.
- B.4. In the interest of good relations, any abuses alleged by either party of the principles and procedures set forth in Subsections B.2. and B.3. shall be discussed by the Director of Industrial Relations or his representative with the Local 400 Representative or his representative, before resorting to grievance procedure or disciplinary action.
- B.5. Reference in this Section 3 to shop stewards applies equally to chief stewards.
- B.6. The total number of shop stewards and chief stewards shall be no greater than eighty-five (85) as reflected on the master seniority listing provided by Section 13.B.3 of this agreement.
- C. The Employer will not interfere with the right of employees to join the Union or engage in Union activities. The Union agrees for itself and its members that Union activities, including the solicitation of Union membership and collection of Union dues, will not be carried on within the mills or on company time in such manner as to interfere with the efficient operation of the mills. The Union also agrees for itself and its members that it will not interfere with the right of employees to join or not to join the Union as they see fit. It is the intention of the parties that there is no conflict between this Subsection C. and Plant Rules No. 14 and No. 15.
- D. It is the policy of the Company not to assign supervisors to work normally performed by workers in the bargaining unit, unless special types of work so require or unusual or emergency conditions exist.

- E. Designated representatives of the Union shall have access to plant break rooms, provided that such visits are scheduled at least 24 hours in advance with the Director of Labor Relations or, in his absence, with the plant Human Resources Manager. It is understood and agreed that such visits are to be reasonable in frequency and shall not interfere with production. When traveling to the break rooms from the plant offices or gates and to other locations within the plants, the Union Representative shall be accompanied by a member of management.

Section 4

STRIKES AND LOCKOUTS

- A. The Union agrees it will not authorize any strikes (the word "strike" as used in this Section being intended to include work stoppages, walkouts, slow-downs, sit-downs, picketing or other concerted interruption of operations by employees) during the term of this Agreement. Subject to the provisions of Subsection B. of this Section, it is agreed that unauthorized or unratified strikes shall not be deemed a violation of this Contract by the Union, but the Union agrees for the itself and the employees whom it represents that unauthorized or unratified strikes during the term of this agreement shall be deemed a violation of the Contract by employees engaged therein.
- B. In the event of any strike the Union will, on notice by the Employer of the existence of such strike given by mail, telegraph, telephone, or messenger to the Local 400 Representative, or his representative in case of his absence, immediately notify the employees that the strike is unauthorized, inform the striking employees that the strike is in violation of the Contract and instruct them to return to work. The Union further will, within twenty-four hours of such notice from the Employer, by letter to the Employer and by press release to the Danville newspapers, with copy thereof to the Employer to be publicized by the Employer in any manner deemed advisable, disavow responsibility for the actions or statements of any Union agents, stewards, or members who support the continuance of such strike, and direct them to discontinue such activity. On the fulfillment of these obligations on the part of the Union, such strike shall be deemed unauthorized and unratified for the purpose of this Contract, but the Union recognizes its responsibility to use every effort to bring about the return of such striking employees to work.
- C. The Employer shall have the right to discharge or otherwise discipline any employee who in any manner participates in any unauthorized strike. Any disciplinary action taken by the Employer for violation of this Section 4 shall be subject to the grievance and arbitration procedure if such disciplinary action is taken prior to a Local 400 Representative's having instructed them to return to work as outlined in Paragraph B hereof. In the event of arbitration, the arbitrator shall be empowered to decide whether the aggrieved employee engaged in such strike, and whether the disciplinary penalty imposed by the Employer was justified under all the circumstances. If disciplinary action is taken against any employee after return to work when the Union has fulfilled its responsibility as stated in Paragraph B, such disciplinary action shall be subject to grievance and arbitration procedure in the same manner as outlined above. If the striking workers fail to return to work without undue delay after they are instructed by the Union to return or in the event the Union fails to fulfill its obligation as set forth in Paragraph B, any discharge or other disciplinary action taken by the Employer shall not be subject to grievance and arbitration procedure, except that the question of participation by such employees or the question of whether or not the Union had fulfilled its obligation shall be subject to grievance and arbitration procedure.
- D. Should the Union fail to take the steps described in Subsection B. of this Section, the Employer may take such action as is provided by law.
- E. The Employer agrees that there will be no lockouts during the term of this Agreement.

Section 5

MEDICAL, LIFE AND A & S BENEFITS

- A. The level of benefits provided for employees covered by this Agreement and their dependents under the contributory group medical benefits, life insurance and weekly accident and sickness benefits plans and the sharing of the costs of such benefits will be as set forth in the agreement between the parties dated June 12, 2000.
- B. Employees shall become eligible for coverage under the group medical benefits, life insurance and weekly accident and sickness benefits plans upon completion of their respective probationary periods of employment as specified in Section 13, Subsection A. of this Agreement.
- C. All employees who are covered or who shall become covered under the group benefits plans specified in Subsection A. above shall receive booklets setting forth in detail the benefits and limitations applicable to such coverage. These booklets, along with the actual contracts and plans, shall be the governing documents.

- D. Effective at 12:01AM January 1, 2005 and thereafter either party may propose to the other party modifications in the contributory group medical benefits plan and the sharing of the cost of such benefits as set forth in the agreement between the parties dated June 12, 2000. If such proposals are made the parties will meet as promptly as possible in an endeavor to reach agreement. No modifications made pursuant to this Section D. shall be made effective until the expiration of not less than one year following the effective date of the last such modification.

Section 5.D. of the Collective Bargaining Agreement, that provides for annual recalculation of medical plan cost sharing, shall be deferred for one year. Employee payroll deductions will not change for continuous coverage until January 1, 2006.

Section 6

WAGES

A. General Wage Schedule

The prevailing wages shall be as set forth in the Wage Scale attached hereto as an appendix, signed for identification by the parties and incorporated herein by reference. The Wage Scale shall be increased at 12:01AM on the following days by the designated amounts in all hourly rates and incentive base rates rounded to the nearest cent and in all O-T-R Trailer Truck Driver per mile rates rounded to the nearest one-hundredth of a cent.

Effective the first Monday in January, 2006 by 3.0%.

A wage re-opener to be effective the first Monday in March, 2007.

B. Minimum Wage and Guarantees

- B.1. The plant minimum shall be as provided in the current Wage Scale, which shall be guaranteed on a daily basis.
- B.2. Employees on incentive occupations shall be guaranteed on a daily basis the base rate but not less than the plant minimum wage. To qualify for this guarantee, however, employees must have earned at the base rate or better, daily for ten (10) consecutive scheduled (or 80 hours) days fully worked. Employees regularly assigned to weekend shifts of 12 hours duration must have earned at the base rate or better, daily for eight (8) consecutive scheduled (or 96 hours) days fully worked. If a worker, during the qualifying period, is placed on a "no rate" job, days already worked in the ten-day or eight-day period, as applicable, plus additional days to make ten days or eight days, as applicable, shall enable the worker to qualify.
- B.3. Incentive workers whose standards are withdrawn temporarily shall be paid on a daily basis their average straight time hourly earnings for the previous Social Security quarter, adjusted to allow for intervening or subsequent wage increases or decreases. The new Social Security earnings are to become effective on the first Monday of each new Social Security quarter.

C. Starting Rates and Progressions

- C.1. Newly hired employees without previous textile mill experience shall be started and progressed at no less than the following schedule except as otherwise provided herein:
- C.1.(a) On hourly jobs they shall be hired at the plant minimum. Thereafter, such employees shall be advanced at no less than thirty cents (\$.30) per hour per week worked until they attain the rate for the job to which they are assigned.
- C.1.(b) On incentive jobs they shall start at a daily guarantee of the plant minimum. In all cases such employees shall be paid their actual incentive earnings on the job to which they are assigned if such earnings exceed the plant minimum.
- C.2. Rehired employees with previous mill experience but without experience on the job for which they are hired shall be started at no less than the following schedule: In the case of hourly workers, they shall be started at the plant minimum; thereafter, they shall be advanced at no less than thirty cents (\$.30) per hour per week worked until they attain the hourly rate for the job to which they are assigned; in the case of incentive workers, they shall be guaranteed the plant minimum until they have qualified for the daily guarantee set forth under Subsection B.2. of this Section. Incentive workers shall be paid their actual earnings on the job to which they are assigned if such earnings exceed the plant minimum.
- C.2. (b) Employees preferentially rehired or transferred in lieu of layoff on a job for which he/she is not qualified shall be started at no less than the following schedule: In the case of hourly workers, they shall be started at a rate which is

50% between the plant minimum and the rate of the new job; thereafter, they shall be advanced at no less than thirty cents (\$.30) per hour per week worked until they attain the hourly rate for the job to which they are assigned; In the case of incentive workers they shall be guaranteed a rate which is 50% between the plant minimum and the base rate until they have qualified for the daily guarantee set forth under Subsection B.2. of this section. Incentive workers shall be paid their actual earnings on the job to which they are assigned if such earnings exceed the above captioned rate.

- C.3.(a) Newly hired learners in the maintenance and mechanical trades in the Construction and Repair, Electrical, Machine Shop and Transportation Departments without previous experience on the job to which they are assigned shall be hired at the plant minimum. Thereafter, they shall be advanced at no less than twenty cents (\$.25) per hour per week worked until they attain the rate for the lowest class of their respective occupations; thereafter, they shall be advanced at no less than one class rate for each three months during which the employee has worked at least thirteen (13) weeks, and so on until the second class rate is attained. If, during any three (3) months' progression period, the employee has worked less than thirteen (13) weeks, advancement to the higher rate may, at the Employer's option, be deferred until thirteen (13) weeks have been worked. Three months after the attainment of the second class rate, the employee will be elevated to the first class rate in accordance with the procedure hereinafter described in C.3.(b).
- C.3.(b) All employees on craft jobs will, three months after the attainment of the second class rate, be elevated to first class rate, unless at the discretion of management, they are not able to perform the first class job. In that event the employee and departmental shop steward will be so notified and the reasons therefore explained. Any disagreement as to the action of the Employer in this regard will be subject to grievance procedure and arbitration.
- C.3.(c) The number of assignments to the class rate of Senior Electrician is at the discretion of the Management. Such assignments shall be made from among employees in the Electrician classification in line with Section 14., Subsection B., provided there are employees in this classification who have the qualifications and ability to be elevated to Senior Electrician. An employee elevated to Senior Electrician will be in probationary status for a period of three (3) months, or until the employee has worked at least thirteen (13) weeks in this class. During this probationary period the employee may be returned to his prior progression if, in the judgment of the Management, he is not able to perform the Senior Electrician job. Notwithstanding the provisions of Section 14., Subsection E., an employee who returns to his prior progression under this provision will do so with full seniority status and have his progression adjusted accordingly.
- C.4. Newly hired learners in textile maintenance and other occupations which have class rates and who are without previous experience on the job to which they are assigned shall be hired at the plant minimum. Thereafter, they shall be advanced at no less than twenty cents (\$.25) per hour per week worked until they attain the lowest class rate of their respective occupations; thereafter, they shall be advanced at no less than one class rate for each three months during which the employee has worked at least thirteen (13) weeks, and so on until the second class rate is attained; if, during the three months progression period, the employee has worked less than thirteen (13) weeks, advancement to the higher rate may, at the Employer's option, be deferred until thirteen (13) weeks have been worked. (Whenever "twenty-five cents" occurs in subsection C.3.(a). and C.4, it shall be increased to "thirty cents" effective 12.01 am the first Monday in March 2001.)
- C.5. For employees regularly assigned to weekend shifts of 12 hours duration, wherever week, thirteen (13) weeks, or three (3) months appears in Subsections C.1.(a), C.2., C.3.(a), C.3.(b), C.3.(c), and C.4. above, these time periods shall be doubled.

D. Equal Pay for Female Work

Female workers shall receive equal pay for equal work with men on comparable operations where they produce a product in comparable quantity and quality.

E. Reporting Time

Any employee having worked on any day who is not notified that his service will not be required the following day, but who nevertheless reports for work on such following day, and is not afforded work, shall receive three hours' pay; in lieu of such payment, however, the Employer may assign such employee to any other available work for not less than four hours, for which the employee will be paid at his regular job rate or the rate for the job to which he is assigned, whichever is higher. Spare hands shall be entitled to the benefits of this Subsection only when their names appear on the payroll for three consecutive weeks prior to the date on which such spare hands report for work under the conditions above outlined in this Subsection. The provisions of this Subsection shall not apply if the failure of the Employer to furnish work is due to causes beyond the control or reasonable foresight of the Employer, such as power failure, act of God, or unanticipated absence of other workers whose immediate production is prerequisite to work for the workers called for work.

F. Shift Differential

A premium of five cents (\$.05) per hour shall be paid for work on the third shift, and such premium shall be deemed part of the regular rate of pay in the calculation of overtime under the provisions of this Agreement. It is agreed and understood that the third shift differential shall only apply to eight (8) hour schedules. It is fully understood that the premium is not to be considered under any circumstances as a part of the base rate on any incentive job.

G. Temporary Transfers

Any employee accepting a temporary transfer from one department to another or from his regular occupation to another at the request of Management shall receive the rate of pay applicable to the new job or his own job, whichever is higher.

H. Combined Jobs

Whenever two or more jobs having different rates of pay are combined, the employee will be paid for the time worked on each job at the rate of pay applicable to the job being worked or his own rate of pay, whichever is higher.

I. Changes in Wage Scale

Whenever new jobs are installed, or jobs are changed to incentive where no rate or base rate has been established in the wage scale, the Employer will notify the Union in writing of the proposed rate or base rate for such jobs. Upon receipt of such notice, the Local 400 Representative and a representative of Management shall meet to discuss the proposed rate. If agreement is reached, such agreement shall be reduced to writing as an amendment to the wage scale of this Agreement. Should they fail to agree within ten days of the initial discussion, the matter shall be referred to Arbitration as provided for in this Agreement. In establishing such rates, it is understood and agreed that such rates are to conform to the principles and intent of the parties embodied in the wage and other pertinent provisions of this Agreement.

J. Experimental Work

All employees shall be paid on all trial or experimental work their average straight time earnings for the previous Social Security quarter.

K. Jury Duty Pay

~~When an employee is called for jury duty and serves as a juror, the Employer will pay to him the difference, if any,~~ between his jury service compensation and his average straight time earnings for the previous Social Security quarter for the days he served as a juror which otherwise he would have worked.

L. Death in Family Pay

An employee who has completed his probationary period and who is excused from work because of death of a member of his or her immediate family shall receive straight time pay at his or her regular rate of pay for scheduled hours of work so lost, but limited to three (3) days' pay. If more than one death in the immediate family of an employee should occur within any period of three (3) consecutive days, that employee, shall, nevertheless, not be entitled to more than three (3) days' pay under this Subsection L. An employee shall not be entitled to receive pay under this Subsection L. unless he or she has presented reasonable evidence to the Employer supporting the fact of death of a member of his or her immediate family. The hours for which an employee is paid under this Subsection L. shall not be used in computing overtime pay for hours worked in excess of forty (40) in the work week. For purposes of this Subsection L. an "immediate member" of an employee's family shall mean only the employee's father, mother, husband, wife, son, daughter, brother, sister, father-in-law, mother-in-law, grandparents, grandchildren, and, in addition, any relative living in the same household with the employee.

M. Over-the-Road Trailer Truck Drivers

Over-The-Road Trailer Truck Drivers shall be compensated as provided in the current Wage Scale referenced in Subsection A. of this Section 6.

Section 7

WORKLOADS, WORK ASSIGNMENTS AND INCENTIVE SYSTEMS

- A.** The Employer shall have the right to change or introduce machine processes, methods of manufacture, to make time studies and work assignments and job specifications in accordance with sound rate setting practices and principles for the purpose of insuring the efficient operation of the mills and utilizing the employees' time effectively. The Union, the affected employees and Management have the duty and responsibility to cooperate in giving the workload a fair test during the trial periods. In making changes to effectuate the above, it is agreed as follows:

B. Routine Changes

- B.1.** Routine changes may be made by the Employer to meet the necessities of its day to day operation; routine changes may be made to maintain accurate incentive rates and performance standards; it being further understood that such changes may result in grievances which shall be subject to the Grievance Procedure. Job specifications will be furnished in connection with such grievances if requested by a Local 400 Representative prior to the step 3 grievance meeting.
- B.2.** Adjustments in incentive rates which have been installed under Subsection B.1., Routine Changes, shall be retroactive to the date when conditions of the job became off standard to the extent of affecting the standard hour value 5% or more, except that such adjustments shall not be retroactive for more than sixty (60) days prior to the date when grievance is filed in writing concerning the rate. If the standards are withdrawn as outlined in Section 7.D.7., no retroactivity will apply during the period when employees are paid average earnings.

C. Technological Changes and Other Type Changes

- C.1.** Technological changes refer to the installation of new machinery or equipment, or modification of an existing machine which materially changes the employee's job duties. Excluded are: alterations in machine settings, machine and equipment required to effect routine changes. Also excluded are changes which do not materially affect the employees' duties.

Other type changes are all changes not included in Routine or Technological Changes.

- C.2.** Three weeks prior to the date of installation of the proposed change, the Employer will notify the Union on the form now in effect. During the three week period discussion will take place with the Union. In the case of an emergency, the three-weeks provision is not to apply, but discussions of the proposed change are to take place as soon as practicable, prior to the institution of the change. The Employer will furnish job specifications on request of a Local 400 Representative.

At the request of either party, a four to six week trial period (or longer or shorter period by mutual agreement) will apply, during which the employees will receive their average straight time hourly earnings for the previous Social Security quarter, adjusted to allow for any intervening wage increases or decreases, or their actual earnings, whichever is higher.

- C.3.** ~~The Employer agrees to make check studies of the job, if requested, and furnish the Union with a summary.~~ If necessary, a discussion of the check studies will be held, upon request, at which a representative of the Union may view the actual studies.

- C.4.** After the trial period, a grievance, if filed, shall be referred to the Grievance Procedure, except that the procedural steps may be expedited by the elimination of the time requirements in the first two steps in the Grievance Procedure.

- C.5.** Unless a written Grievance is filed within sixty (60) days after the expiration of the trial period or any extension thereof, the change as introduced under Subsection C. shall be conclusively presumed to be proper and acceptable. If a grievance is filed within the above time limit, any adjustment shall be retroactive to the date of change. But if a grievance is filed on the rate after the expiration of the 60-day period, alleging that the job has become off-standard, any retroactive adjustments shall be limited as provided in Subsection B.2.

D. General

- D.1.** The Employer will post the daily posting sheet in each department, and, in addition, for each incentive worker, the daily production and/or task performed on which the worker's daily earnings are computed and paid.

- D.2.** The Employer has the right to institute changes from hourly rate to incentive rate or from incentive rate to hourly rate, without agreement on the part of the Union. When a job is changed from incentive rate to hourly rate, the hourly rate paid shall be the most recently negotiated hourly rate adjusted to allow for intervening or subsequent wage increases or decreases. The work assignment on such hourly rated job shall be established in the same manner as for other measured hourly rated jobs. It is the policy of the company to maintain work assignments and job specifications for the hourly jobs at a 110 performance pace as measured by sound engineering principles. If there is no previously negotiated hourly rate, the rate shall be installed in accordance with Section 5., Subsection I.

- D.3.** When the method of pay is changed from hourly rate to incentive rate, employees formerly paid on the hourly rate immediately before the change and who continue on the job after the change shall be guaranteed the previous hourly rate of the changed job on a weekly basis. Others employed on the job after the change shall also receive this guarantee except in the case of newly hired learners or rehires from other occupations. This weekly guarantee shall continue for twelve (12) weeks after the date of the change. Employees may qualify for daily base rate guarantee any time after the change. Employees not so qualified at the end of the guarantee period will be guaranteed plant minimum.

- D.4. When an incentive rate replaces an hourly rate, the incentive rate shall be set at such level as to yield a proper incentive to production, in accordance with sound rate setting practices and engineering principles.
- D.5. It is the policy of the Company to set and maintain job specifications for incentive jobs so that the base rate is equal to 100 performance pace in accordance with sound rate setting practices and engineering principles. It is the policy of the Employer to provide a 120 assignment on incentive jobs whenever it is practical to do so and give workers assignments they are capable of performing, considering productivity and quality. The Employer will use the previous Social Security averages as criteria for determining employees' ability to perform and will make assignments with that objective, subject to limitations of job layout.

If an individual employee requests an assignment that is above his former Social Security performance, the Employer, where practical within the limitations of job layout, will afford the employee a trial and will grant the request if the employee demonstrates ability to perform at the higher level. If an individual employee requests an assignment below his former Social Security performance, the Employer will give consideration to such request and grant it where practical within the limitations of job layout. It is understood that the foregoing sentence is not intended to apply except in individual and exceptional cases where there is individual reason for the employee's inability to continue to perform at the level indicated by the previous Social Security average. It is also understood that the Employer shall not be obligated to supplement the individual as a result of such reduced assignment. On assignment below a 110, the Employer agrees to supplement the employee the difference between the assignment or his actual earnings, whichever is higher, and his former Social Security average up to a 110. If it becomes necessary to reduce an individual assignment because of poor quality performance, the Employer shall not be obligated to supplement the individual as a result of such reduced assignment under the provisions of this Subsection. It is understood that the foregoing supplement is not intended to apply to occupations where the assignment is not calculable.

- D.6. Work assignments and rates shall be based on time studies, standardized data, and sound rate setting practices and principles to set and maintain rates which shall be made under normal conditions. Time studies are not required to make a routine changes in job specifications, work assignments, or incentive rates unless the elemental times of a job are changed. When time studies are made, they shall be made on workers agreed to by the Employer and the Union. If the parties fail to agree, each shall name an equal number of workers to be studied. At Step 3 of the Grievance Procedure, if requested by the Union, a time study will be made on a job under dispute.
- D.7. On incentive jobs where conditions are off standard to the extent of affecting the standard hour value by 5% or more, ~~standards will be withdrawn and the employees will be paid their average straight time hourly earnings for the previous~~ Social Security quarter, adjusted as above provided, except where off standard conditions are occasioned by the employees working on or directly servicing the machines.
- D.8. It is the policy of the Employer to provide adequate fatigue time on all work assignments. It is understood that fatigue time allowances are intended to provide a reasonable amount of time away from the job for personal reasons.
- D.9. On incentive jobs when work assignments or rates are changed, the Employer agrees to post the reason for the change on the bulletin board and, through its supervisory force, to explain to the workers involved, or their shop steward, the reason for the change, the standard hour value, the standard 120 assignment, and the earnings possibility on the job. The Employer further agrees, on incentive jobs, to provide in writing, on request of any employee, the standard hour value, and the standard 120 assignment of his job. Copies of such information afforded in writing will be made available to the steward of the department on request. It is agreed that at the beginning of each week the Employer will post, by name, the assignment of each employee on incentive jobs where assignment supplement may apply as provided in D.5. The employer has met its notification obligation under this section when notice is posted on the bulletin board.
- D.10. Workloads and work assignments shall be established which will enable the employee to attain expected standards of quality.
- D.11. **Downtime**

When employees are required to wait on the job because of power shutdown, breakdown of machinery, or stoppage of the manufacturing process due to other abnormal working conditions for which employees working on or directly servicing the machines are not responsible, and when such interruption is not allowed for in the rate, the Employer agrees to pay for the time lost as stipulated in the Supplemental Downtime Agreement heretofore accepted by the parties in the case of incentive workers provided that this section shall apply when such work stoppage amounts to five consecutive minutes or more on single machine assignments or fifteen consecutive minutes or more on assignments of more than one machine. The methods of computation of downtime pay shall be as stipulated in such Supplemental Downtime Agreement which is incorporated by reference herein to the same extent as if it were set out verbatim at this point. Nothing herein contained shall be construed as a denial of the Employer's right to dismiss such employees from

work without further liability for downtime pay when the Employer deems such action advisable, but this clause shall not operate to deny reporting time pay if due under Subsection E. of Section 6.

Section 8

HOLIDAYS, HOURS AND OVERTIME PAY

- A.1. Recognized Holidays are New Year's Day, Easter Monday, Memorial Day, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day, and the employee's birthday. Employees will be scheduled off work on their birthday, however, upon mutual agreement, the employee may work if the birthday falls on a scheduled workday. Whenever any of them shall fall on Sunday, the succeeding Monday shall be deemed the Holiday, except for the birthday holiday, which is observed on the day it falls regardless of whether the employee is scheduled to work. Recognized Holidays not worked shall be considered as days worked for the purpose of computing overtime pay for the sixth and seventh consecutive days worked.
- A.2. Employees who work on New Year's Day, Easter Monday, July 4, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day, or the employee's birthday shall receive their earnings for work performed on such Holidays at their regular rate. In addition the Employer agrees to pay Holiday pay for such Holidays to employees who have worked their last scheduled work day preceding the Holiday and their first scheduled work day following the Holiday, at regular straight time rates for hourly workers and at their Social Security average for incentive workers for eight hours; provided however, that (a) those employees who are unable to work on the required days governing Holiday pay due to the fact that they are hospitalized, or are serving on jury duty, or are absent and excused from work due to death in their immediate family, or are absent and excused from work due to injury on-the-job on such days, will receive Holiday pay provided they have worked on any day within the period of seven working days preceding the Holiday; (b) an employee who works on the required days governing Holiday pay but fails to work all hours scheduled for him/her on such days shall not receive Holiday pay unless such failure to work all hours as scheduled is due to illness or accident to the employee of such serious degree as to require the employee to leave work, verification of which the Employer may require the employee to provide from his/her physician; (c) when a Holiday falls during the second, third or fourth week of vacation ("optional vacation week/weeks") of an employee, such employee will be entitled to Holiday pay for such Holiday if he has worked his last scheduled work day prior to such vacation and his first scheduled work day after such vacation; and (d) no employee shall receive Holiday pay for any day for which he receives bereavement pay (under Section 6.L. of this Agreement). An employee scheduled to work on a holiday must work all hours scheduled unless failure to work such hours is due to the exceptions (a, b, c, d) noted above.
- A.3. Eligible employees, as determined by Subsection A.2. above, who are regularly assigned to a weekend shift shall be paid holiday pay for hours regularly scheduled when a recognized holiday falls on Saturday or, the provision of Subsection A.1. above notwithstanding, falls on Sunday. Such eligible employees shall be paid holiday pay of eight (8) hours for recognized holidays falling Monday through Friday.
- B.1. The regular hours of work for all employees covered by this Agreement shall be eight (8) hours per day and forty (40) hours per week, Monday through Friday inclusive, except in departments or work where management has determined that "off-shift" schedules are necessary.
- B.2. "Off-shift" schedules may be installed in departments or work when it is anticipated that seven (7) day operations will be required for three (3) months or longer. The Union and the affected employees will be given at least thirty (30) days' notice prior to the installation of "off-shift" schedules in such departments or work.
- B.3. Any hours worked in excess of eight (8) hours per day or forty (40) hours per week shall be paid for at the rate of one and one-half times the regular rate of pay. For the purpose of this Section 8, a day is defined as the twenty-four hours immediately following 12 midnight.
- B.4. All premium pay for employees regularly assigned to "off shift" schedules will be calculated on the basis of the Company's payroll week, i.e., Monday through Sunday, rather than the employees' respective work weeks.
- B.5. Weekend Premium - Employees regularly assigned to a weekend shift shall be paid an extra one-half times the regular rate of pay for all hours worked on calendar Saturday and calendar Sunday that are not otherwise eligible for overtime payments under Subsection B.3. above.
- C. Employees are eligible for one and one-half the regular rate for working more than forty (40) hours in any week (unless eligible for daily overtime pursuant to 8.B.3.) and twice the regular rate shall be paid if the employee works seven (7) consecutive days and all scheduled hours in a work week. Days taken as optional vacation and/or holidays will count as days worked for purposes of the subsection. Additionally, hours scheduled but not worked due to business reasons as defined by the Company will count as time worked. The provisions of this subsection do not apply to employees working a regular 12 hour or a weekend shift.

- D. The Employer agrees to post in each department where "off-shift" schedules are necessary the schedule of hours per shift and the work week of employees assigned to such "off-shift" schedules, and also agrees to post notices of any changes in "off-shift" schedules before they become effective. The Employer will also post notices covering work schedules for holidays and the vacation period, and if a particular department or recognized section thereof is scheduled to work, notice to that effect will be posted. The Union recognizes that the arrangement of work schedules is the function of Management, but the Employer agrees not to change such schedules unless such a change is essential to the efficient operation of the plant, and unless it is approved by the Plant Manager, who will take into consideration any undue hardship on the employees occasioned thereby. It is not the intention of the parties that differences regarding the necessity for change of work schedules be submitted to arbitration, but in the interest of harmonious relations and in order to give assurance that any complaints of employees regarding work schedules will receive prompt and sympathetic attention, it is understood that any such complaints may be presented direct to the Plant Manager, and if not satisfactorily adjusted there, then considered promptly by the representatives of the parties designated at Step 4 of the Grievance Procedure.
- E. In the event that curtailment of the Employer's production schedule is necessary, it will be the Employer's policy insofar as practical, to reduce the working force by layoff before the work week is reduced below thirty-two (32) hours per week.
- F. It will be the policy of the Employer to divide the work in each department as equally as possible between the shifts and as between employees on direct and indirect work, to assign a work week that is as nearly equal as is practical.

G. 12 HOUR SHIFTS

G.1. Intent of the Parties

The Parties agree that the arrangement of work schedules is the function of management; that the Company has the express right to change any employee's schedule from 8 hour and/or weekend shifts to 12 hour shifts, (8 hour to 12 hour); and that the Company has the express right to change any employee's work schedule from 12 hour shifts to 8 hour shifts including, at the Company's option, weekend shifts, (12 hour to 8 hour). The parties further agree that the Company may schedule the 12 hour shifts to regularly operate Monday through Sunday.

~~The Company agrees that it will take into consideration any undue hardship on the employees and will not change from 8 hour to 12 hour shifts, or from 12 hour to 8 hour shifts, unless the change is needed for the efficient operation of the plant or other business need as determined by the Company. The Parties do not intend that differences regarding the need to change from 8 hour to 12 hour shifts or 12 hour to 8 hour shifts will be submitted to arbitration. In the interest of harmonious relations, and in order to give assurance that any complaints of employees regarding work schedules will receive prompt and sympathetic attention, it is understood that any such complaints may be presented direct to the Plant Manager, and if not satisfactorily adjusted there, then considered promptly by the representatives of the parties designated at Step 4 of the Grievance Procedure.~~

The provisions of Section 8.G. have no application to employees working any other schedule described in Section 8.B. of the Agreement. Sections 8.G.4 through 8.G.6. set forth the exclusive Hours, Holidays and Overtime provisions of this Agreement for those employees scheduled by the Employer to a 12 hour shift under Section 8.G. Except as stated herein, all provisions and rights set forth in the agreement remain in full force and effect for the employees who are scheduled by the Company to a regular 12 hour shift. Provisions of this section of the agreement have no application to employees working any other schedule described in the Collective Bargaining Agreement.

G.2. Notification of Change

The Company will notify the Union in writing and post a notice to the employees of any intended change from 8 hour to 12 hour shifts or from 12 hour to 8 hour shifts at least thirty (30) days before the intended change occurs. This notification period does not apply to changes in the employees' weekly schedules which may vary from week to week due to production needs, nor does it apply to any other shift scheduling other than the change of regular shifts from 8 hours to 12 hours or from 12 hours to 8 hours.

The Company will make itself available to meet and discuss the intended shift changes with Union representatives at their request. At any point after thirty (30) days from the date of notification, the Company may exercise its right to change any operation from 8 hour to 12 hour shifts or from 12 hour to 8 hour shifts.

G.3. Hours of Work

The regular hours of work for employees working 12 hour shifts shall be twelve (12 hours) per day, Monday through Sunday inclusive. The normal starting and ending time for day shifts (herein designated as A and B shifts) and night

shifts (herein designated as C and D shifts) may vary depending on the operating needs of the plant or department. Nothing in the Agreement may be construed as a guarantee of hours, days or weeks of work for the employees. The Company at its option may choose to shut down its operations on recognized holidays or any other day as business necessity and/or other considerations dictate. In the event that a curtailment of the Company's production schedule is necessary, it is understood that insofar as practical, the Company will reduce the workforce by layoff before the work week is reduced below thirty-six (36) hours.

G.4. Overtime Pay

Any hours worked in excess of forty (40) hours per week shall be paid at the rate of one and one-half times the regular rate of pay. For the purposes of overtime for the employees who are regularly scheduled to work a 12 hour shift as set forth above, the "week" consists of seven (7) consecutive twenty four (24) hour periods beginning at the day shifts starting time on Monday and ending at the same time on the following Monday.

In the event an employee on 12 hour shifts is scheduled to work through a holiday and works all scheduled hours on seven (7) consecutive days, then the Sunday will be paid at twice the regular rate.

G.5. Recognized Holiday Pay

Recognized holidays are New Year's Day, Easter Monday, July 4th, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day and the employee's birthday. Employees will be scheduled off work on their birthday, however, upon mutual agreement, the employee may work if the birthday falls on a scheduled workday. (Effective with the calendar year 2001 Memorial Day becomes a recognized holiday and July 4th is voided as a recognized holiday). Whenever a holiday shall fall on Sunday, the succeeding Monday shall be deemed the holiday, except for the birthday holiday which is observed on the day it falls regardless of whether the employee is scheduled to work. All recognized holidays shall be observed from the start of the day shift on the day that the holiday falls to the same time on the following day. If the employee is regularly scheduled to work on a day that a holiday falls and the employee does not work that day because the Company shuts down for the holiday, the holiday pay shall be considered hours worked for the purpose of computing overtime.

Employees regularly assigned to a 12 hour shift and scheduled to work on the day the holiday falls shall be paid holiday pay for twelve (12) hours at regular straight time rates for hourly workers and their social security average for incentive workers. Other eligible employees not scheduled to work on the day the holiday falls shall be paid holiday pay for eight (8) hours at regular straight time rates for hourly workers and their social security average for incentive workers. When a holiday falls on Sunday but is observed on Monday, employees scheduled to work on Monday shall receive twelve (12) hours holiday pay and employees not scheduled to work on Monday shall receive eight (8) hours holiday pay.

Employees who work on a recognized holiday shall receive their earnings for work performed on such holidays at their regular rate. In addition the Employer agrees to pay holiday pay for such holidays to employees who have worked their last scheduled work day preceding the holiday and their first scheduled work day following the holiday; provided, however, that (a) those employees who are unable to work on the required days governing holiday pay due to the fact that they are hospitalized, or are serving on jury duty, or are absent and excused from work due to injury on-the-job on such days, will receive holiday pay provided they have worked on any day within the period of seven working days preceding the holiday; (b) any employee who works on the required days governing holiday pay but fails to work all hours scheduled for him/her on such days shall not receive holiday pay unless such failure to work all hours as scheduled is due to illness or accident to the employee of such serious degree as to require the employee to leave work, verification of which the employer may require the employee to provide from his/her physician; (c) when a holiday falls during optional vacation days of an employee, (defined below), such employee will be entitled to holiday pay for such holiday if he has worked his last scheduled work day prior to such vacation and his first scheduled work day after such vacation; and (d) no employee shall receive holiday pay for any day for which he receives death in the family pay, (defined in Section 6.L. of the Agreement).

An employee scheduled to work on a holiday must work all hours scheduled unless failure to work such hours is due to the exceptions (a, b, c, or d) noted above.

G.6. Optional Vacation

An optional week of vacation may under the conditions established by Section 9 (Vacations with Pay) of the Agreement, be requested by the employee to be taken a week or a day at a time according to procedures contained in Section 9.A.2. of the Collective Bargaining Agreement. For purposes of optional vacation time off, a "week" is from the start of the day shift on Monday to the same time the following Monday, and a "day" is the 24 hour period from the start of the day shift to the same time the following day. The employee may request a "week" of vacation, regardless of whether the employee is scheduled to work three or four day shifts that "week". If the employee chooses to take optional vacation a "day" at a time, the employee's optional vacation week is converted to a total of

three optional vacation days.

When an employee's schedule changes from an 8 hour to a 12 hour shift a 12 hour to an 8 hour shift and the employee has already taken an optional vacation a day at a time as provided in Section 9.A.2. of the Collective Bargaining Agreement, the employee's remaining optional vacation days shall transfer to the new schedule. The employee may schedule the remaining optional vacation days according to procedures as noted the Agreement.

G.7. Shift Assignment

When the Company chooses to change an operation from an 8 hour to a 12 hour schedule or vice-versa, the affected employees will be given the opportunity to choose their shift assignment by order of seniority within their department and job classification in that order.

Affected employees may accept the 12 hour shift assignment or exercise their seniority rights under Section 13 of the Collective Bargaining Agreement. Once the positions on the shifts are filled, any remaining unassigned employees will exercise their seniority rights under Section 13 of the Agreement.

New employees shall be hired into jobs on the C and D shifts (night shifts). Qualified employees of the C and D shifts may move to the A or B shifts within their department and job classification in that order on the basis of seniority. Qualified employees shall move back to the C and D shifts in the inverse order. In the event an employee must be hired or retained on a particular shift, the provisions of this subsection shall not apply.

G.8. Base Rate Guarantee

Employees on incentive occupations shall be guaranteed on a daily basis the base rate but not less than the plant minimum. To qualify for this guarantee, however, employees regularly assigned to 12 hour shifts as described above must have earned the base rate or better daily for seven (7) consecutive scheduled (or 84 hours) days fully worked. If a worker, during the qualifying period, is placed on a "no rate job", days already worked in the seven (7) day period plus additional days to make seven (7) days shall enable the worker to qualify.

Section 9

VACATIONS WITH PAY

- A.1.** Annual vacation of one week (regular vacation week) will be granted at the time of the annual plant shutdown, and vacation pay therefore will be computed and distributed to qualified employees prior to such shutdown.
- A.2.** Employees who have completed five years or more of continuous service with the Employer as of May 26 of the current year, as determined by seniority, but less than fifteen shall be eligible for an additional week of vacation ("optional vacation week") to be scheduled in advance. Employees who have completed fifteen years or more of continuous service with the Employer as of May 26 of the current year, as determined by seniority, but less than twenty-five, shall be eligible for two additional weeks of vacation ("optional vacation weeks") to be scheduled in advance. Effective January 1, 1998 employees who have completed twenty-five years or more of continuous service with the Employer as of May 26 of the current year, as determined by seniority, shall be eligible for three additional weeks of vacation ("optional vacation weeks") to be scheduled in advance. These optional weeks may or may not be consecutive, at the Employer's option, and must be taken during the period beginning with the payroll week which includes June 15 of the current year and ending with the payroll week immediately preceding June 15 of the year following; provided, however, that an employee scheduled for an optional vacation week during either of the last two payroll weeks of a vacation scheduling year will not be eligible to be scheduled for an optional vacation week during either of the first two payroll weeks of the following vacation scheduling year. An optional vacation week will not be paid vacation and is not compulsory.

An optional week of vacation may, under the conditions established herein, be requested by the employee to be taken a week at a time or a day at a time. For purposes of optional vacation time off, a week is from 12:01AM Monday morning to 12 midnight the following Sunday and a day is the 24 hour period from 12:01AM to the following 12 midnight. A week of optional vacation, taken by the day, consists of five days for employees regularly assigned to shifts other than weekend shifts and consists of two days for employees regularly assigned to weekend shifts. Where employees move between weekend shifts and other than weekend shifts, one day of vacation time off on weekend shifts will equal two days of time off on other than weekend shifts and vice versa.

A request for an optional week of vacation, to be taken as a week of time off, must be submitted in writing on a form provided by the Employer at least a week before the beginning of the requested vacation week. A request for optional vacation, to be taken as a day of time off, must be submitted in writing on a form provided by the Employer at least twenty-four (24) hours prior to the requested vacation day.

Optional vacation time off, whether by the week or by the day, will be taken only upon approval by the Employer of the employee's request therefor. If the Employer determines that the number of employees requesting optional vacation, whether by the week or by the day, during a given period may cause production, maintenance or other operational problems, the Employer may deny some or all of the optional vacation requested. Priority for granting employees' requests for the same week or same day of vacation time off will be in the order in which the requests were received from the employees.

- B. Vacation pay shall be computed in the following manner:
 - B.1. Employees covered by this Agreement who have completed twelve months but less than five years of continuous service with the Employer on May 26 of the current year, as determined by seniority, shall be paid 2% of their earnings during the fifty-two week period preceding the above date.
 - B.2. Employees covered by this Agreement who have completed five years or more of continuous service with the Employer on May 26 of the current year, as determined by seniority, shall be paid 4% of their earnings during the fifty-two-week period preceding the above date.
 - B.3. Employees covered by this Agreement who have completed fifteen years or more of continuous service with the Employer on May 26 of the current year as determined by seniority, shall be paid 6% of their earnings during the fifty-two-week period preceding the above date.
 - B.4. Effective January 1, 1998 employees covered by this Agreement who have completed twenty-five years or more of continuous service with the Employer on May 26 of the current year as determined by seniority, shall be paid 8% of their earnings during the fifty-two week period preceding the above date.
 - B.5. Employees otherwise eligible for vacation pay who are inducted into the armed services prior to the plant shutdown period will, at the time of induction, receive vacation pay computed as set forth in Subsection B.1. or Subsection B.2. or Subsection B.3. or Subsection B.4. above; further, such employees who are re-employed after discharge from the armed services before the annual shutdown period shall receive vacation pay computed as set forth in Subsection B.1. or Subsection B.2. or Subsection B.3. or Subsection B.4. above.
- C. Employees retired pursuant to the provisions of the Dan River Inc. Hourly Retirement Plan during the term of this contract and prior to the qualifying date of May 26 of the current year shall nevertheless be entitled to receive vacation pay computed in accordance with the provisions of Subsection B.1. or Subsection B.2. or Subsection B.3. or Subsection B.4. above.
- D. If an employee dies prior to receiving vacation pay to which he was entitled under provisions of this Agreement, the same shall be paid to the surviving spouse of such deceased employee, and if there is no such surviving spouse, then to the surviving beneficiary or beneficiaries of such deceased employee designated (as reflected on the records of the Company) to receive proceeds of life insurance provided under the Company's group benefits plans, and if there is no such surviving beneficiary, then to the estate of such deceased employee.
- E. There shall be no exceptions to the rules and qualifications governing vacation pay as stated in this Section of the Contract.
- F. The dates of the annual plant shutdown shall be dates between June 1 and September 30 each year as are fixed by the Company. An employee at his/her option may elect to receive all vacation pay for which he/she is eligible prior to the scheduled vacation week shutdown or such eligible employees may elect to receive vacation pay in increments of a minimum of one week of pay as taken (in increments of 2%). In the event of vacation pay the week before the scheduled shutdown week and the rest of his/her vacation pay shall be paid during the vacation year a week at a time as vacation time is taken. Once the eligible employee makes his/her election for the payment of vacation pay for a vacation year, the method of payment shall not be changed until the next vacation year.
- G. The Employer agrees to post in the mills a written notice of the date fixed for the payment of vacation pay and the dates of the annual plant shutdown period approximately four weeks prior to the annual plant shutdown.
- H. All complaints regarding vacation pay must be made within thirty (30) days of the date of payment or else will be considered waived and abandoned.

DISCHARGE AND DISCIPLINE

- A. Maintenance of discipline is the responsibility of the Employer. Any employee claiming that he has been disciplined or discharged without cause must present a grievance in writing within ten (10) days, including the day such disciplinary action was taken, or his claim shall be waived. Such a grievance shall be handled as outlined in Section 11, except that it shall be submitted at Step 2 of the Grievance Procedure.
- B. A Grievance involving disciplinary action may be submitted to arbitration as provided in Section 12. In that event, the issue before the Arbitrator shall be whether or not cause for disciplinary action existed, but the Arbitrator shall also be empowered to modify the penalty when the circumstances, in his opinion, justify such action. In any case, where back pay is ordered, it shall not be retroactive to a date prior to the time the disciplinary action was taken, and the Arbitrator shall order deducted from such back pay any earnings or unemployment compensation the employee has received during his absence from the Employer.
- C. Discharge or other disciplinary action will be taken in the presence of a shop steward. In the event that disciplinary action is taken against a shop steward, the chief steward or most easily available shop steward will be called. When disciplinary action is taken for poor work, the employee and shop steward (or chief steward, if called) will be shown the condition of the job or the defective work for which the action is taken.
- D. The Employer agrees to give each employee a copy of any warning read to the employee which is intended to become a part of the employee's record. It is further agreed that no warning more than one year old shall be applied toward future disciplinary action. This provision shall not prevent either party from presenting to an Arbitrator any information concerning the employee's record.

Section 11

GRIEVANCE PROCEDURE

- A. Grievances involving questions of contract interpretation must be presented within ten (10) days of the occurrence or knowledge of the incident raising the contract interpretation question or within 10 days of the date of date the Union and/or the worker learns of the condition or the alleged contract violation.
- Step 1 A complaint shall first be presented by the aggrieved employee, with or without his departmental shop steward, or by such shop steward in the employee's behalf, promptly to the employee's shift supervisor or department manager (if there is no shift supervisor), who shall give his answer within two (2) working days, unless the time be extended by mutual agreement.
 - Step 2 If the complaint is not settled at Step 1, it shall become a grievance if put in written form, dated, and presented to the Company's designated representative. The company representative shall meet with the shop steward, with or without the aggrieved employee, at a mutually satisfactory time to undertake to settle the grievance. If the grievance is not settled within two (2) working days, or within additional time mutually agreed upon, it may then be referred to the Plant Manager.
 - Step 3 The Plant Manager or his designated representative shall meet with local union representatives, with or without the aggrieved employee, at least bi-weekly. If it is impractical for either party to meet on the scheduled day, the meeting shall take place within forty-eight (48) hours thereafter. If the grievance is not adjusted at this step, it may be referred to Step 4.
 - Step 4 The Director of Industrial Relations, or his designated company representative, will meet with the Local 400 Representative or his representative, with or without the aggrieved employee, bi-weekly, and at such other times as may be mutually agreed upon for the settlement of grievances not adjusted at Step 3. Any grievance may be referred to arbitration under Section 12, after thirty (30) days from the date when either party requests a discussion at Step 4, regardless of whether such discussion has taken place or not.
- B. General
 - B.1. It is agreed that any individual employee or group of employees shall have the right at any time to present grievances to the Employer without the intervention of the Union; provided, that any adjustment of grievances so presented shall not be inconsistent with the terms of this Agreement, and provided further, that a representative of the Union is to be given an opportunity to be present at such adjustment and be informed on the facts pertinent thereto. The principle herein stated is to prevail at all times, anything in the above described details of the Grievance Procedure to the contrary notwithstanding.

- B.2. A written statement of the settlement of grievances at Steps 2, 3, and 4 shall be made by the Employer and a copy given to the Union.
- B.3. The chief steward may act for a shop steward where no shop steward is elected, or where the elected shop steward is not available.
- B.4. Grievances involving questions of general Company policy may be signed by the Local 400 Representative and presented in writing direct to the Employer's Industrial Relations Department, thereby eliminating consideration at Steps 1 and 2. Such grievances shall then be considered by the Industrial Relations Department or other Company representative and a Union representative and, if they fail to reach an agreement for the settlement thereof within ten (10) days, or such additional time as may be mutually agreed on, the grievance may then be referred to Step 4.
- C. **Admission to Mills**

For the purpose of observing physical conditions involving grievances under consideration at Steps 2, 3, or 4 of the Grievance Procedure, the Employer will allow a Local 400 Representative admission to the mills at times agreeable to the Employer. It is understood that if such admission is desired, the Union will make requests therefor to the Industrial Relations Department and state the reason for the request and the grievance in connection with which admission to the mills is desired. On admission, the Local 400 Representative will be accompanied by a representative of the Employer. This Subsection is not to be interpreted as authorizing detailed checks or the compilation of technical data by the Union representative.

Section 12

ARBITRATION

- A. Arbitrable grievances are those which involve the application or interpretation of a provision of this Agreement. If an arbitrable grievance is not settled at Step 4, Section 11, it shall be settled in the following manner:
- B. Either party may make written demand for arbitration within ten (10) days from the date of the first meeting under Section 11, Step 4, or any agreed adjournment thereof. Failure to make such written demands within that period shall be deemed abandonment of the grievance.
- C. If either party demands arbitration of a particular grievance in accordance with the foregoing, it shall be promptly referred to an impartial arbitrator selected by using the striking method, from a list of arbitrators submitted by either the American Arbitration Association or the Federal Mediation and Conciliation Service as mutually agreed to by the parties. Either party may reject the first list submitted but thereafter neither party may reject any list unless by mutual consent. Both parties will agree with the arbitrator on a convenient date for the hearing, and the arbitrator shall then meet with the parties and consider evidence and arguments submitted by the parties. He shall then render his decision in writing, not inconsistent with any provision of this Agreement, and such decision shall be final and binding upon both parties hereto and all employees covered by this Agreement.
- D. It is specifically agreed that the arbitrator must base his decision on the facts as ascertained and determined by him and the terms of this Agreement. He shall have no power to render a decision the effect of which is to change or modify any provision of the Agreement or write into it any provision not agreed on by the parties.
- E. The compensation of the arbitrator shall be paid one-half by the Company and one-half by the Union.

Section 13

SENIORITY

A. **Probationary Employees**

Employees shall be rated as probationary employees during the first ninety (90) days of their employment; rehires shall be rated as probationary employees during the first sixty (60) days following the date of re-employment provided their former employment exceeded ninety (90) days, except that rehired employees previously discharged shall be rated as probationary employees during the first one-hundred-twenty (120) days of their employment. There shall be no responsibility for the re-employment of probationary employees discharged or laid off during the probationary period. Seniority rights as herein provided shall, after the period of probationary employment is completed, date back to the beginning of the last employment.

B. Seniority Defined

- B.1.** The term "seniority" means the continuous length of service with the Employer in the various occupational groupings as defined in the Supplementary Agreement as amended. It is recognized that length of service with the Employer has already been established by the seniority lists heretofore posted, and otherwise agreed to between the Employer and the Union. It is understood that no employee shall be entitled by virtue of seniority principles herein established to be retained on any job for which he is not qualified.
- B.2.** The occupational groups already agreed upon shall prevail during the term of this contract unless the parties agree to revision thereof. If during the term of this contract either party desires change in the occupational groupings already agreed upon, it is understood that the principle objective shall be to provide fullest protection for employees with the greatest seniority consistent with good management and simple administration of the seniority program.
- B.3.** The Employer agrees to furnish the Union with a master seniority list containing all occupational groupings in the bargaining unit at two (2) months intervals if the Union requests such list.
- C.** The term "Layoff" as herein used shall mean the reduction of the working force because of lack of work or other cause, but not for temporary causes which are of less than one week's duration. When temporary causes result in layoff of less than one week's duration, it is agreed that no employee shall be laid off whose individual job continues to run except when two or more jobs in the same or in different classifications are temporarily combined because of a lack of work, in which case the employee with higher seniority shall be retained, provided such employee has the qualifications necessary to run the combined job, and thereafter the work shall be divided as equally as possible between those employees affected. When a job once stopped resumes operations, the Company agrees promptly to recall the worker to his or her job.

When permanent causes result in layoff, it is agreed that no employee shall be laid off whose individual job continues to run except when two or more jobs in the same or in different classifications are combined because of lack of work or other causes in which case the employee with the higher seniority shall be retained, provided such employee has the qualifications necessary to run the combined job.

D. Application to Layoff and Recall

- D.1.** Probationary employees shall be laid off first.
- D.2.** Except as provided in Subsection D.3. below, all remaining employees shall be laid off in accordance with seniority as defined herein; that is, the last one in shall be the first one out.

Employees subject to layoff due to lack of work and having full recall rights shall exercise seniority in the following manner:

Step 1:

- a. The employee(s) will first displace the least senior employee in the same plant working on the most recent job the affected employee(s) previously held, provided the employee(s) seniority is greater and the employee is qualified to perform the required duties, or elect a layoff.
- b. If option 1.a. is not available, the employee(s) will displace the least senior employee working on the most recent job the affected employee(s) previously held, regardless of plant, provided the employee(s) seniority is greater and the employee(s) is qualified to perform the work, or elect layoff.
- c. When an employee exercises seniority in accordance with a or b, the displaced employee from a or b will be required to take a layoff and be eligible for recall in accordance with this section of the Collective Bargaining Agreement, provided the displaced employee has obtained seniority in the group.
- d. In either case in order to be deemed qualified, the subject employee(s) must have been permanently assigned to the job for at least 60 days and acquired seniority, temporarily assigned to the job for 60 days or more confirmed by company payroll records, completed the company training program or have earned at least the base rate on an incentive job.

Step 2:

If the first option step is not available, the affected employee(s) will exercise his or her rights to a retention pool job as described in Section 13 D.4. of the Labor Agreement.

Demonstrating Qualifications

- a. An affected employee exercising his or her rights to displace an hourly paid employee in accordance with this section of the Labor Agreement must demonstrate the ability to satisfactorily run the job within one (1) week following assignment to the elected job.
- b. An affected employee exercising his or her rights to displace an incentive paid employee in accordance with this agreement must demonstrate the ability to satisfactorily run the job within two (2) weeks following assignment to

the elected job. Incentive employees will not have to re-qualify. However, the employee(s) exercising their right to displace an incentive employee must run the job at 100 PI by the end of the two week period.

- c. In either case, an employee exercising his or her rights to displace an employee will accrue seniority in the new group when the period for demonstrating qualifications is completed.

D.3. Exception: Incentive workers with less than five years seniority, who during the 90-day period of normal operations preceding layoff, have earned, on an average, less than their base rate shall be laid off after probationary employees and before all other employees in their occupational group.

D.4. An employee laid off from an occupational group in which the employee has acquired seniority and recall rights, when such lay off is pursuant to the provisions of Subsection D.2. or D.3. above, shall have the option of (a) displacing the junior employee from among the management designated "retention pool" of Job Classifications in any Danville, VA plant, provided he/she has greater seniority than such junior employee, or (b) taking a lay off from the Company. Any change to the retention pool list of jobs will be discussed with the union before implementation. Failure of an employee to announce his/her choice to management within twenty-four (24) hours of lay off from his/her occupational group (or by Monday at 12 midnight if the lay off occurs the preceding Friday, Saturday or Sunday) shall be deemed choosing option (b).

An employee choosing option (a) shall acquire seniority instantaneously in the occupational group which contains the "retention pool" Job Classification within his/her plant that the employee enters. Notwithstanding this instantaneous acquisition of seniority, the employee shall be subject to a sixty (60) day trial period and should the employee prove unsatisfactory during this trial period the employee shall be laid off and placed on the recall and preferential lists.

Other than acquiring seniority instantaneously by transferring with relocated equipment, choosing option (a) is the only circumstance under which an employee can acquire seniority instantaneously in an occupational group by virtue of entering one of the "retention pool" Job Classifications within his/her plant that is within such occupational group. In all other circumstances an employee is subject to the applicable probationary period or a sixty (60) day trial period, as provided elsewhere in this agreement.

D.5. Recall to work shall be in inverse order to layoff.

D.6. An employee shall be laid off if he is unable to accept transfer to another shift when such transfer is made necessary by the operation of this Section 13. In that event, the employee so laid off shall exercise his recall rights only after employees accepting the shift transfer and having greater seniority have exercised their right to shift transfers to fill vacancies that may occur.

D.7. When transfers within a seniority group are made necessary by layoffs, workers in such grouping with the least seniority remaining on the job in the department where the layoff occurs will fill any vacancies thus created according to the provisions of Subsection C. of Section 14. Thereafter, employees in the seniority grouping in other departments will be transferred to fill the vacancies.

Shift re-alignment will occur in accordance with the following procedure:

- a. Employee with enough seniority to remain in the group but cannot remain on their shift shall have rights to exercise his or her seniority by displacing the junior employee in an upward shift move.
- b. When making an upward shift move in a seniority group with multiple task numbers, the employee must first exercise seniority by displacing the junior employee with the same task number in the group. If there is no one junior to the employee with the same task number and there is a junior employee with another task number in the group, the employee may displace such junior employee with a different task number on the shift and in the group, provided the employee is qualified as defined in this section.
- c. The junior employee once displaced will have the option of electing an available vacancy on the back shift or electing layoff.

An employee who has exercised seniority rights to transfer from a higher paying to a lower paying job in the group as a result of a layoff due to lack of work can, if the opportunity arises, exercise seniority to return to the higher paying job within one year from the effective date of the transfer. The affected employee will be offered, providing he/she is qualified, a return to the higher paying job previously held in the seniority group before recall or JPR rights are initiated.

D.8. There shall be established a recall list and a preferential hiring list which shall contain the names of all employees laid off. Any employee who has not been recalled or re-employed within one year after layoff will be dropped from the lists. If any employee is rehired within twelve (12) months after he has been dropped from the recall or preferential list he will, at the expiration of the probationary period, be reinstated on the seniority list and be credited for the period of his layoff.

- D.9. An employee preferentially rehired to a job in an occupational group other than that from which he was laid off shall be subject to a sixty (60) day trial period. Should he prove unsatisfactory to department supervision during the trial period, he shall be laid off and returned to his original position on the recall and preferential list. An employee preferentially rehired will not be laid off before the completion of the sixty (60) day trial period in order to prevent the accumulation of seniority in the new occupational grouping except in special situations where an exception is mutually agreed to in writing between a full-time representative of the Union and a representative of the Employer's Industrial Relations Department. In the event he completes the trial period and is subsequently laid off, he shall be placed on the recall list for the job from which he was laid off, and shall have his position on the preferential list renewed for a period of one year. Should a preferentially hired employee remain on the job after the trial period, his seniority shall apply on the new job except as otherwise provided in Section 14., Subsection E. of this Agreement.
- D.10. A preferentially rehired employee laid off because of lack of work prior to the completion of the sixty (60) day trial period who is subsequently rehired for a job in the same seniority grouping prior to the expiration of sixty (60) days from the date first preferentially rehired shall have his accumulated seniority in such grouping if he thereafter completes the trial period.
- D.11. The Company will not hire anyone from outside the Company who must be trained for the job before hiring someone from the preferential list who has designated such job and meets the minimum requirements for the job. Employees laid off because of permanent discontinuance of their operations shall be placed on the preferential hiring list and shall be entitled to preference over other employees listed thereon in hiring for available jobs for which they may be reasonably expected to qualify. This Subsection shall not be interpreted to mean that employees on the preferential list shall be hired for any available jobs if employees with recall rights are laid off from such jobs. No new employees shall be hired while workers remain on the preferential list, consistent with the principles stated above. Any complaints regarding the administration of this Subsection D.11. will be discussed by representatives of the Employer and representatives of the Union but will not be subject to the Grievance Procedure.
- D.12. Any employee who is offered a job for which he is qualified, regardless of shift, who refuses to accept the job so offered shall be dropped from the preferential hiring list for a period of thirty (30) days. The employer will provide the Union with its current preferential list, and also weekly with a list of employees laid off and recalled, preferentially rehired and dropped from the preferential and recall list.
- D.13. Technologically displaced employees will be given opportunities, based on relative seniority within their department, to fill job vacancies created by the installation of the new machinery or equipment or modification to existing machinery or equipment that displaces them, provided they can be reasonably expected to qualify. These opportunities will be offered to technologically displaced employees only after employees having recall or shift preference rights to such vacancies have exercised these rights.

"Technologically displaced employees" for purposes of this Subsection applies solely to incumbents of job classifications who (1) operate or directly service machines or equipment that is replaced by the installation of new machinery or equipment or (2) operate or directly service existing machinery or equipment that undergoes modification. "Technologically displaced employees" in "operator" job classifications will be eligible to fill vacancies only in such "operator" job classifications as might be created, provided they can be reasonably expected to qualify. "Technologically displaced employees" in "service" job classifications will be eligible to fill vacancies only in such "service" job classifications as might be created, provided they can be reasonably expected to qualify.

E. Top Seniority

Shop stewards and chief stewards shall have top seniority for the purpose of layoff, recall, and transfer in their respective occupational groups. Stewards and chief stewards may not use top seniority for the purpose of transferring to a more desirable job or shift.

F. Loss of Seniority

Seniority shall be lost as provided in Section 15., Subsection F. and G. and in the following cases:

- F.1. When the employee quits the job or is discharged for cause.
- F.2. When the employee, having been laid off, fails to report within seven (7) working days after postmarked date of written recall or preferential notice to report mailed to him at his last address left by him with the Employer; except as provided in Subsection G. It is agreed, however, that a copy of such notice along with the employee's telephone number, if available from the employee's personnel folder, shall be mailed to the Union at the same time that it is mailed to the employee.
- F.3. When, after layoff, an employee's name is dropped from the recall and preferential hiring list referred in Subsection D.8. above.

- G. An employee working a trial period on a job to which he has been preferentially rehired who fails to answer a recall notice as provided in Subsection F.2. shall not lose his seniority, but shall be dropped from the recall list for the occupational grouping from which laid off. If such employee is subsequently laid off from the preferential job prior to the expiration of the sixty (60) day trial period, he shall have his name added to the preferential list.
- H. **Complaints and Grievances**
- Any complaint or grievance involving the question whether an employee has been laid off in conformity with the principles herein established shall be made within ten (10) working days from the date of the layoff; otherwise the complaint or grievance shall be deemed waived and abandoned and such layoff shall not thereafter be subject to the Grievance Procedure.
- I. Nothing in this Agreement shall prevent, interfere with, or in any way affect the retirement of employees as provided in the Dan River Inc. Hourly Retirement Plan.
- J. Workers shall accumulate seniority on temporary jobs. Such temporary jobs shall not exceed a period of sixty (60) days except where special conditions require it, and in that event, the Union will be notified prior to the expiration of such period the approximate duration of the temporary job.
- K. It is agreed that seniority for spare hands shall be determined in the same manner as for all other employees. When temporary vacancies become available, they shall be offered to the senior spare hands qualified to perform the available work. However, it is understood that a spare hand will not be given a vacancy in a regular job unless employees with greater seniority in the job classification in the department decline the vacancy. It is the agreed intention of the parties that spare hands shall be selected from newly hired employees except for those employees who prefer to work as spare hands.

Section 14

TRANSFERS AND PROMOTIONS

- A. The Employer has the right to transfer or promote employees to any position, occupation, shift or place where their services are needed according to its own judgment, provided such transfers and promotions do not conflict with the provisions of this Agreement. No employee shall be required to make a permanent transfer when an employee with less seniority remains in his occupational group; no employee shall be required to transfer permanently to a lower paying job or to a job outside the bargaining unit. The supervisor will notify the departmental shop steward of any permanent transfer at the time the transfer takes place.
- B. It is the policy of the Employer to consider seniority, overall plant efficiency, ability, quality of production and attendance record of individuals, before a decision is made to promote employees, and to give effect to seniority where other considerations are equal. When determining the qualifications for JPR promotion or permanent transfer, the Parties agree to adhere to job requirements specified on already published Minimum Job Requirements will be discussed with the Union prior to publishing them.
- C. New employees shall be hired on the third shift or the last shift of the day. Qualified employees shall move to the second and to the first shifts within their department and seniority grouping in that order on the basis of seniority. Employees shall move back to the second and to the third shifts in the inverse order. In the event an employee must be hired for or retained on a particular shift because of special skills, the provisions of this Subsection shall not apply.
- D. It is the policy of the Employer to place employees on regular assignments. When changes and transfers in assignments are necessary to meet the requirements of operating conditions, employees affected will be given an explanation as to the reasons for such changes.
- E. Employees who are permanently transferred or promoted within the bargaining unit shall retain their seniority in the previous occupational grouping for a period of forty-five (45) days. After such period the employee's seniority in the new occupational grouping will be seniority accumulated in both groups. If an employee who has attained seniority on any class rated job is transferred or preferentially rehired to the occupation on which he had previously served his progression period, he shall not be required to serve a second progression period, but shall retain his accumulated seniority on the job.
- F. As a matter of policy, temporary transfers shall not exceed a period of sixty (60) days. If the necessities of the case demand that such temporary transfer be extended for a longer period, the departmental shop steward will be notified, and any complaint as to the lack of reason therefor will be subject to grievance procedure.

- G. In all cases of temporary promotion or transfer the employees involved will be returned to their former jobs without loss of seniority when their services are no longer required on their temporary assignments.
- H. In case of temporary promotions or transfers in or out of the bargaining unit the supervisor shall notify the departmental shop steward, specifying the conditions of the transfer and stating the expected duration of the temporary assignment.
- I. Any employee who has been or is promoted or transferred out of the bargaining unit shall accumulate seniority while working in such position and shall be returned to his regular job and shift, and to his regular place on the seniority list should he be transferred back to the bargaining unit within one year from the date of such transfer or promotion. On transfer back to the bargaining unit after one year from the date of such transfer or promotion, anyone returning to the bargaining unit shall do so without bargaining unit seniority.

Section 15

LEAVES OF ABSENCE

- A. Whenever an employee finds it necessary to be absent from work, he must request a leave of absence from his supervisor stating the reason for the leave and the length of the leave requested. No leave will be valid unless the leave of absence form has been personally signed by the employee.

If an employee is unable to request a leave in person, but calls in or sends word, no leave will be executed. When the employee is able to return to work he must obtain a leave from his supervisor properly signed by the employee and supervisor before he can be reinstated.

The Employer will grant leaves of absence in writing for such period of time as appears to the Employer to be reasonable for the following causes:

1. Disability, personal illness or injury - not to exceed 12 months.
2. Deaths, weddings, funerals or illness where applicant is needed in the immediate family of the applicant.
3. Other causes which appear to the Employer to be reasonable and proper.

Any request for extension of a leave must be obtained in the same manner. In event of request for extension, the Employer may require an employee to present a statement from the attending physician certifying incapacity to work.

- B. An employee finding it necessary to be absent for illness or other valid emergency shall notify his supervisor prior to or during his next scheduled shift. If he is unable to give such notice because of unforeseen and justifiable circumstances, he must in any event notify his supervisor within forty-eight (48) hours of the start of the first scheduled shift on which he is absent. When notice is so given, a retroactive leave of absence shall be granted. If the employee fails to give notice as herein required, he shall be subject to disciplinary action, but only after he has had opportunity to explain his failure to give notice.

- C. An employee absent from work without written leave of absence for three (3) consecutive days shall have his seniority automatically broken and his employment terminated except where there are circumstances beyond the control of the employee.

- D. The Employer will grant leaves of absence to employees for Union business as follows:

1. To attend Union conventions or meetings, provided the Union gives the Employer five (5) days advance notice of the names of the employees designated as authorized representatives. In unforeseen emergencies, one day's advance notice will be sufficient.
2. To employees elected as full-time Union representatives, not exceeding seven (7) in number, for a period not to exceed the Term of this Agreement.

When such employees resume employment, they shall be returned to their regular jobs and shifts, and their regular place on the seniority list; however, if such employees resume their employment after a three-year period, they shall be returned to their regular place on the seniority list, taking the job of the employee with the least seniority in the former occupational group provided their seniority is greater.

- E. While an employee is on leave as provided in this Section, his job shall be filled temporarily by spare hand or other employee.

- F. An employee who fails to return to work at the expiration of his leave or fails to submit a request for an extension to their manager or designee in advance of the expiration of the leave, will be automatically terminated unless his failure is in fact due to emergency reasons such as accident or sudden illness, and he has complied with the requirements of Subsection B. above. In such event the employee's leave will be extended for such time as appears reasonable to the Employer under the circumstances.
- G. The Employer will terminate any employee who obtains a leave under false pretenses or who works for another individual or firm while on leave of absence without having obtained prior written approval from the Employer.

Section 16

MILITARY CLAUSE

- A. Employees who shall have left the employment of the Employer, under provisions of appropriate federal statutes, for the purpose of entering the armed forces of the United States shall be deemed on leave of absence, and during their period of service in the armed forces their seniority shall accumulate. Such employees are generally entitled to re-employment if:
 - 1. They have satisfactorily completed their service in the armed forces.
 - 2. They make application for work within ninety (90) days after discharge.
 - 3. They are still qualified to perform the duties of their former position or one substantially the same.
 - 4. The Employer's circumstances have not changed so as to make re-employment impossible or unreasonable.
- B. It is agreed that nothing in Subsection A. is intended to conflict with applicable federal statutes, and that such statutes shall be controlling in all cases of re-employment of veterans.

Section 17

PLANT RULES

- A. Written rules governing the conduct of employees will be posted on the bulletin boards in the mills. All employees are required to observe plant rules, but may utilize the Grievance Procedure because of disciplinary action taken by the Employer for violation of such rules.
- B. It is agreed that such rules may be changed from time to time by the Employer as the efficient operation of the mills shall require so long as such change does not conflict with any provision of this Agreement. The Union may question the reasonableness and equity of a change in the rules by utilizing the Grievance Procedure, Section 11, Subsection B.4. but if the matter is not resolved by discussion, it may be referred to arbitration.
- C. The Employer will notify the Union five (5) days in advance of the time any change in rules shall become effective.

Section 18

BULLETIN BOARDS

The presently existing bulletin boards directed for Union use may be used by the Union for posting notices approved by the Management and restricted to:

- (A) Notices of Union recreational and social affairs.
- (B) Notices of Union elections.
- (C) Notices of Union appointments and results of Union elections.
- (D) Notices of Union meetings.

Notices which the Union desires posted shall be given to the Employer's Industrial Relations Department for approval and posting.

There shall be no other general distribution, or posting by employees, of pamphlets, advertising or political matter, notices, or any kind of literature within the mill gates.

Section 19

DUES CHECK OFF AND CREDIT UNION

- A. The Employer agrees to deduct Union dues, the initiation fee and authorized assessments from the weekly wages of employees in the bargaining unit who provide the Employer with a voluntary written authorization to do so. Such deductions shall be made by the Employer each payroll period, from the wages of employees and such deductions shall be forwarded to the Secretary-Treasurer of the Union, within ten (10) days following the last payroll period of the month. In the event no wages are due an employee or the wages of an employee are insufficient to cover the required deductions, the deductions for such week shall nevertheless be made from the wages of an adequate amount next due the employee and thereupon transmitted to the Union.
- B. The Employer agrees to deduct from an employee's earning each payroll period, including vacation pay, the amount specified by an employee on the AFL-CIO Employees Federal Credit Union written authorization for payroll deduction form. Payroll deductions will commence with the payroll period following receipt of an employee's written authorization for AFL-CIO Employees Federal Credit Union payroll deductions. The employer shall forward such payroll deductions to the AFL-CIO Employees Federal Credit Union on a weekly basis, indicating the employee's name and the amount deducted for each employee.
- C. Local 400, United Food & Commercial Workers Union agrees to hold the Employer harmless against any and all complaints, claims, judgments or demands that may arise out of or in any way be related to compliance by the Employer with the provisions of this Section or in reliance by the Employer upon any document furnished to the Employer by the Union pursuant to the provisions of this Section.

Section 20

EQUAL EMPLOYMENT OPPORTUNITY

The parties to this agreement agree that the administration of its terms will comply fully with all laws, regulations, and executive orders pertaining to Equal Employment Opportunity without regard to race, color, religion, national origin, handicap, covered veteran status or sex - except where sex is a bona fide occupational qualification.

Section 21

SAFETY AND HEALTH

It is the objective of the Employer and the Union to promote and preserve the health and safety of all employees, and the parties agree to cooperate responsibly in implementing measures to further this objective.

Section 22

TERMINATION

This Agreement shall continue in full force and effect until the 11th day of June, 2008, and shall automatically renew itself for one-year periods thereafter unless either party shall give written notice to the other of intention to terminate this Agreement not less than sixty (60) days prior to the expiration date of the initial five year term or any subsequent current one year term. Following the giving of such notice, this Agreement shall come to an end on the 1st day of January of the then current term. No subsequent amendment or modification of and no subsequent supplement to this Agreement shall be valid unless it be in writing and signed by the parties.